U. S. Supreme Court
FILED
NOV 26 1941
CHARLES ELMORE CROPLEY
CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1941.

No. 761

ELECTRO METALLURGICAL COMPANY, FREDERICK M. BECKET and RUSSELL FRANKS,

Petitioners,

vs.

KRUPP NIROSTA COMPANY, INC.,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES CIRCUIT COURT OF APPEALS FOR THE THIRD CIRCUIT AND BRIEF IN SUPPORT THEREOF.

LEONARD A. WATSON,
Counsel for Petitioners.

DAVID A. WOODCOCK,
Of Counsel.

ACKERMAN PRESS, Inc., 202 East 44th St., 'Phone VAnderbilt 6-1898

INDEX.

PAGE

Petition 1

Summary Statement of the Matter Involved 2

Questions Presented 6

Reasons Relied on for the Allowance of the Writ 6

Brief in Support of Petition for Writ of Certiorari 9

Opinions of the Courts Below 9

Jurisdiction 9

Statement of the Case 9

Specification of Errors 9

Summary of Argument 10

Argument:

I—There is conflict between the interpretation placed upon the statutory requirement that a patent application must be "in such full, clear, concise and exact terms as to enable any person skilled in the art * * * to make, construct, compound and use the same" (R. S., 4888, U. S. C., Title 35, §33) by the Circuit Court of Appeals in sustaining the Schafmeister application as a constructive reduction to practice, and the interpretation placed upon that requirement by this Court and by the Circuit Court of Appeals for the Second and Eighth Circuits, the Court of Appeals of the District of Columbia, and the Court of Customs and Patent Appeals 10

PAGE

II—The Circuit Court of Appeals has so far departed from the accepted and usual course of judicial proceedings and sanctioned such a departure by the District Court for the District of Delaware as to call for an exercise of this Court's power of supervision; such departure being a refusal to consider uncontradicted evidence that a patent application, the effect of which is in issue, is inoperative and fails to comply with the statutory requirement that it be in "full, clear, concise and exact terms" 18

III—The Circuit Court of Appeals has decided an important question of federal law which has not been, but should be settled by this Court, namely:

Does the filing of a patent application which confuses one useful with many inoperative alternatives act as a "constructive reduction to practice" in a suit under R. S., §4915? 20

Conclusion 25

Appendix, Revised Statute 4915 26

TABLE OF CASES.

PAGES

Besser v. Merrilat, 243 Fed. 611 (C. C. A. 8th) 7, 16
Butterworth v. Hoe, 112 U. S. 50, 61 ..... 8, 19

Carlin v. Crumpton, 45 App. D. C. 166 ..... 7, 16
Carson v. American Smelting Co., 4 F. (2d) 463, 465-6 (C. C. A. 9th) 20
Coupe v. Royer, 155 U. S. 565, 574 ..... 7, 8, 13, 14, 19
Croskey v. Atterbury, 9 App. D. C. 207 ..... 7, 16
Curtiss v. Janin, 278 U. S. 454 (C. C. A. 2nd) 7, 8, 14-16, 18

Electro Metallurgical Company, et al. v. Krupp Nirosta, 33 F. Supp. 324 9
50 U. S. P. Q. 158 9

Hill v. Wooster, 132 U. S. 693 20

In re Perrigo, 48 F. (2d) 965, C. C. P. A. 7, 8, 17

Matheson v. Campbell, 69 Fed. 597 23
Matheson v. Campbell, 78 Fed. 910, 915, 923 24
Morgan v. Daniels, 153 U. S. 120 21

Simpson v. Holliday, L. R. 1, H. L. 315 and 13 Wkly. Rep. 577, 578 22-24
Steinfur Patents Corp. v. J. Meyerson, Inc., 56 F. (2d) 372, 379 20

The Telephone Cases, 126 U. S. 1, 535-536 ..... 7, 8, 12, 13, 18, 19
Victor v. Brunswick-Balke-Collender, 273 U. S. 670 21
Von Recklinghausen v. Dempster, 34 App. D. C. 474 ..... 7, 16

Westinghouse v. DeForest, 278 U. S. 572 21

STATUTES CITED.

Revised Statute, §4888, U. S. C., Title 35, §33 ..... 6, 10
Revised Statute, §4890, U. S. C., Title 35, §34 11
Revised Statute, §4891, U. S. C., Title 35, §34 11
Revised Statute, §4915, U. S. C., Title 35, §63 (printed in full at page 26) 8, 20

IN THE

Supreme Court of the United States

OCTOBER TERM, 1941.

ELECTRO METALLURGICAL COMPANY, FREDERICK M. BECKET and RUSSELL FRANKS,

Petitioners,

vs.

KRUPP NIROSTA COMPANY, INC.,

Respondent.

PETITION FOR WRIT OF CERTIORARI.

To the Honorable, the Chief Justice and the Associate Justices of the Supreme Court of the United States:

Your petitioners Electro Metallurgical Company, Frederick M. Becket and Russell Franks pray that a writ of certiorari issue to review the final decree of the United States Circuit Court of Appeals for the Third Circuit entered herein on June 30, 1941. Rehearing and reconsideration by that Court were requested and were denied August 26, 1941.

A certified transcript of the record in the case, including the proceedings in the Circuit Court of Appeals, is furnished herewith in compliance with Rule 38 of this Court.

Summary Statement of the Matter Involved.

This is a civil action brought in equity under R. S., 4915, 35 U. S. C., §63,* in which petitioners seek a decree against Krupp Nirosta Company, Inc., authorizing a patent upon the application of petitioners Becket and Franks, Serial No. 593,928 (R. 193-200), filed February 18, 1932. The District Court (Nields, D. J.) dismissed plaintiffs' suit after trial and the Circuit Court of Appeals affirmed (R. 621), because of alleged priority of an application of Schafmeister, Serial No. 550,288 (R. 203-208), filed July 11, 1931, owned and prosecuted originally by Fried. Krupp Aktiengesellschaft of Germany and later by its assignee the respondent. In the oath accompanying the Schafmeister application he claims under the Convention the benefit of a supposedly corresponding German application (R. 226-228), filed on July 21, 1930. Pending the appeal below, the Schafmeister U. S. application has been patented as No. 2,190,486, but since the applications of the two parties were copending, the Schafmeister patent is no bar and is invalid if petitioners are entitled, as they contend, to priority.

The invention in controversy is concerned, as the Circuit Court of Appeals held, with means "for preventing internal (intergranular) corrosion in stainless steels" of the austenitic type commonly called "18-8" because containing about 18% chromium and 8% nickel, with iron, carbon and minor ingredients. Plain 18-8 steel, though its surface may remain stainless, is impaired when subjected either concurrently or successively to a temperature between 400° and 900° C. and to a corrosive, and reveals the defect of intergranular corrosion by losing its metallic ring, cracking and sometimes even crumbling to a powder.

---

*R. S., 4915; 35 U. S. C., §63, will be found as an Appendix, page 26.

The means for curing this defect is a steel of the 18-8 type (retaining its characteristic toughness and ductility) containing a small quantity of columbium with or without tantalum. 18-8 steel, columbium and tantalum are recognized as materials essential to defense.

This suit represents a contest for patent between respondent, a patent holding company, relying solely on the filing dates of German and United States applications without any actual manufacture, and petitioners, American inventors, who independently conceived and proved the invention by actually making and testing steels before filing their patent application.

Petitioners' application as filed in February, 1932 and petitioners' actual reduction to practice by making and testing in 1931 two steels, called Heats B-142 and B-145, which contained the invention and were fully immune to intergranular corrosion, were unchallenged by the decisions below. Petitioners admittedly made and tested another such steel, called Heat A-722, in 1929 and further tested it in 1930, but the evidence was held insufficient to show that petitioners had reached success with this heat or knew at the time the exact amount of columbium and tantalum A-722 contained.

Krupp's German Schafmeister application (R. 203-208) upon which respondent relies, proposed to cure "brittleness" (no mention of intergranular corrosion) in 18-8 steel by numerous methods. It first endorsed two suggestions made in prior Krupp applications (the Strauss idea of keeping carbon as low as .07%, and the Schafmeister and Houdremont idea of adding titanium or vanadium to the steel). It then set forth the alleged new discovery in these words:

> "Exhaustive experiments have shown * * * that this advantage is the property also of chemically neutral chromium nickel steel alloys which contain columbium, tantalum, zirconium, uranium, hafnium or rare earth

metals, such as cerium, thorium, lanthium, yttrium, neodymium, samarium, etc. either alone or mixed."

The phrase "rare earth metals" includes also at least ten other rare earth elements listed in the circular of the Department of the Interior, "The Rare Earths" (R. 152-153). Thus the Schafmeister application proposed as alternative and equivalent cures any one or any combination of twenty-one metallic elements and claimed to have proved their usefulness by "exhaustive experiments". These suggested metals number more than one-fifth of all the elements known to science! Schafmeister gave two examples, one containing "about .17% carbon, 8% nickel, 18% chromium and 1.3% tantalum + columbium" and the other substituting zirconium for the last two elements.

Petitioners investigated the truth of these statements and produced in this suit uncontroverted testimony and tests (not before the Patent Office) by standard methods taught by Krupp (R. 31-33) showing:

(a) Many of the suggested elements, such as zirconium (R. 55, 57, 172 and R. 493) cerium (R. 69), thorium (R. 69) and uranium (Plfs'. Ex. 10, sheet 55) as well as vanadium (R. 493) are inoperative to prevent or even lessen intergranular corrosion.

(b) Other elements are incapable of actual use and would be too costly even for experiment, such as hafnium which would cause a 5 ton heat of steel with 60 pounds of hafnium to cost $13,000,000.00 (R. 79, 122, 143-4).

(c) None of the elements are shown to have any utility except tantalum and columbium, and even these two, when proportioned as in Schafmeister's example, would not "prevent" intergranular corrosion or be any better than Heat A-722 which petitioners had made and tested in 1929. The Strauss .07% carbon steel is even less effective (R. 19, 442).

These same defects were present in respondent's U. S. application as filed, except that the latter disclosed the purpose of preventing intergranular corrosion.

The Schafmeister U. S. application was later amended to withdraw his recommendation and claims for uranium, hafnium, cerium and all other metallic elements apart from columbium and tantalum, long after petitioners' application had been on file and soon after the Patent Office had given notice (R. 215) of the prospect of the present interference (see Examiner's interlineations at R. 205-7). Respondent attempted unsuccessfully to insert a ratio of carbon to the alloying element (R. 209-212 and 213), although a different ratio (twice as much of the metallic element as carbon) was taught in the Krupp British patent (R. 229, lines 80-85) then under the same ownership. The whole application was radically changed before it was patented.

Both the Circuit Court of Appeals and the District Court awarded priority to respondent for the Schafmeister German application, holding that it was a "constructive reduction to practice" as of its filing date, July 21, 1930, that petitioners' Heat A-722 was inadequate and its application and Heats B-142 and B-145 made in 1931 were too late.

The opinion of the District Court (R. 551-562) is silent regarding the tests and other evidence introduced by petitioners to show the insufficiency of the Schafmeister application. The Circuit Court of Appeals repeated and sanctioned this disregard at R. 626, saying:

> "The second attack falls for the reason that the trial court was at liberty to ignore the plaintiffs' ex parte tests which allegedly showed the inefficiency of Schafmeister's claims and formulae."

The term "ex parte tests" carries an unjustified inference; some of the tests were made long before the controversy or knowledge of respondent's application; some were made

for the trial but required so many weeks of furnace work that inter partes attendance would have been scarcely possible; all resulted in evidence of which respondent had long warning before trial. Respondent offered no evidence in support of the assertions of the Schafmeister applications or in contradiction of petitioners' evidence.

Questions Presented.

Questions presented by the case are the following:

(1) Is an invention constructively reduced to practice by a patent application which includes inoperative alternatives?

(2) May a court ignore uncontradicted evidence to show that an application, on which one applicant in interference depends, contained false and misleading disclosures and accept those disclosures, without supporting evidence, as proof of reduction to practice?

(3) Is it proper to apply a more severe test of operativeness to an actual than to a constructive reduction to practice?

Reasons Relied On For the Allowance of the Writ.

The discretionary power of this Court to grant a writ of certiorari is invoked upon the following grounds set down in Rule 38 of this Court:

1. There is conflict between the interpretation placed upon the statutory requirement that a patent application must be "in such full, clear, concise and exact terms as to enable any person skilled in the art * * * to make, construct, compound and use the same" (R. S., 4888, U. S. C.,

Title 35, §33) by the Circuit Court of Appeals in sustaining the Schafmeister application as a constructive reduction to practice, and the interpretation placed upon that requirement by this Court.

Telephone Cases, 126 U. S. 1, 535-536.
Coupe v. *Royer*, 155 U. S. 565, 574.

2. There is conflict between the interpretation placed upon the statutory requirement that a patent application must be "in such full, clear, concise and exact terms" by the Circuit Court of Appeals for the Third Circuit in sustaining the Schafmeister application as a constructive reduction to practice, and the interpretation placed upon that requirement by the Circuit Court of Appeals for the Second and Eighth Circuits, the Court of Appeals of the District of Columbia, and the Court of Customs and Patent Appeals.

Curtiss v. *Janin*, 278 Fed. 454 (C. C. A. 2nd).
Besser v. *Merrilat*, 243 Fed. 611 (C. C. A. 8th).
Von Recklinghausen v. *Dempster*, 34 App. D. C. 474.
Croskey v. *Atterbury*, 9 App. D. C. 207.
Carlin v. *Crumpton*, 45 App. D. C. 166.
In re Perrigo, 48 F. (2d) 965, C. C. P. A.

3. The Circuit Court of Appeals has so far departed from the accepted and usual course of judicial proceedings and sanctioned such a departure by the District Court for the District of Delaware as to call for an exercise of this Court's power of supervision; such departure being a refusal to consider uncontradicted evidence that a patent application, the effect of which is in issue, is inoperative and fails to comply with the statutory requirement that it be in "full, clear, concise and exact terms".

Telephone Cases, 126 U. S. 1, 535-536.
Coupe v. *Royer,* 155 U. S. 565, 569, 579, 574.
Butterworth v. *Hoe,* 112 U. S. 50, 61.
Curtiss v. *Janin,* 278 Fed. 454 (C. C. A. 2nd).
In re Perrigo, 48 F. (2d) 965, C. C. P. A.

4. The Circuit Court of Appeals has decided an important question of federal law which has not been, but should be settled by this Court, namely:

> Does the filing of a patent application which confuses one useful with many inoperative alternatives act as a "constructive reduction to practice" in a suit under R. S., §4915?

WHEREFORE it is respectfully submitted that this petition for a writ of certiorari to the Circuit Court of Appeals for the Third Circuit should be granted.

LEONARD A. WATSON,
Counsel for Petitioner.

DAVID A. WOODCOCK,
Of Counsel.

Dated, New York, N. Y.,
November 25, 1941.